

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

INR-10 NSAE-00 RSC-01 FAA-00 SS-20 NSC-10 L-03 H-03

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R 011603Z MAR 74

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 7218

INFO AMEMBASSY BRUSSELS

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BRUSSELS FOR FAA

E.O. 11652: N/A

TAGS: ETRN, FR

SUBJECT: CIVAIR: AIRLINES' MOVE TO CDG AIRPORT

SUMMARY: AT MARCH 1 MEETING GRIMAUD PROMISED HONOR EARLIER COMMITMENT TO CARRIERS FOR CDG CONNECTING SERVICES AND AGREED MORE HAD TO BE DONE. GOF CONTINUES PRESSURE FRENCH CARRIERS AND WE WILL SEEK US CARRIER REACTION TO LATEST SGAC SHCEDULING PROPOSALS. SGAC THINKS MEETING WITH ALL CARRIERS CONCERNED LIKELY BE UNPRODUCTIVE BECAUSE OF CONFLICTING INTERESTS. PANAM WILL BE AUTHORIZED CONTINUE SERVE ONLY IF UNABLE MOVE TO CDG ON TIME BUT GOF WILL KEEP AFTER PANAM TO MOVE AT EARLIEST OPPORTUNITY.

1. RCAA MET ON MARCH 1 WITH GRIMAUD OF SGAC TO DISCUSS CDG PROBLEM. ESPEROU AND ONE OF HIS ASSISTANTS FROM SGAC STAFF JOINED MEETING MIDWAY WITH LATEST PLANS FOR CONNECTING SERVICE SCHEDULES.

2. RCAA SAID THAT WE HAD SPOKEN INFORMALLY TO
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FOREIGN MINISTRY ON CDG QUESTION LAST WEEK AS

PROPER CHANNEL FOR FOLLOW-UP TO FORMAL DISCUSSION OF THAT QUESTION DURING RECENT BILATERAL CONSULTATIONS. WE WISHED ALSO ALERT SGAC DIRECTLY OF OUR CONTINUING CONCERN OVER THIS PROBLEM WHICH WAS SOURCE OF MOUNTING PREOCCUPATION TO OUR TWO CARRIERS. AS US DEL HAD INDICATED DURING BILATERAL CONSULTATIONS WE WERE FULLY AWARE OF PROBLEMS WHICH OPENING OF NEW AIRPORT MUST POSE AND WE DID NOT WISH TO COMPLICATE THOSE PROBLEMS. US CARRIERS THAT WOULD BE OPERATING FROM CDG ALSO HAD IMPORTANT STAKE IN ENSURING AIRPORT WAS A SUCCESS FROM THE OUTSET. THEIR SHOW OF CONCERN OVER CONNECTING SERVICES WAS THUS NOT PETTY OR OBSTRUCTIVE BUT STEMMED FROM LEGITIMATE GRIEVANCES TO EXTENT THEY CONSIDERED DENIAL OF EQUITABLE TREATMENT AFFECTED THEIR COMPETITIVE POSITION, NOTABLY VIS-A-VIS AIR FRANCE.

3. WHEN GRIMAUD INDICATED THAT HE UNDERSTOOD MAIN PROBLEM WAS WITH PANAM, RCAA CONFIRMED THAT THIS HAD BEEN THE CASE UNTIL RECENTLY WHEN TWA HAD ALSO COME TO US. HE SAID THAT, FRANKLY, TWA ATTITUDE SHOULD BE OF SPECIAL CONCERN TO SGAC SINCE TWA HAD COOPERATED FULLY THUS FAR IN AGREEING OPERATE FROM CDG AS OF MARCH 13 BUT NOW WAS BEGINNING SUSPECT IT MAY HAVE BEEN LED DOWN GARDEN PATH TO EXTENT THAT AT LAST MINUTE ADEQUATE CONNECTING SERVICES THAT WERE PROMISED WERE NOT FORTHCOMING. GRIMAUD SAID HE HAD ALSO HEARD THAT PANAM MIGHT JUST BE SEEKING EXCUSES TO DELAY MOVE TO CDG SINCE HE UNDERSTOOD THAT PANAM FREIGHT TERMINAL THERE WAS NOT YET COMPLETED. RCAA REPLIED THAT PANAM HAD TOLD HIM SEVERAL WEEKS AGO THAT CEMENT STRIKE IN FRANCE HAD CAUSED WORK STOPPAGE ON PANAM FACILITIES AT CDG, WITH RESULT THAT WORK ON FREIGHT TERMINAL MIGHT INDEED BE BEHIND SCHEDULE, HOWEVER, HE UNDERSTOOD THAT RAUSCHENPLAT HAD INFORMED HIM (GRIMAUD) BY LETTER FEB. 28 THAT PANAM WAS READY FROM TECHNICAL AND OPERATIONAL STANDPOINT TO MOVE TO CDG AND SOLE REASON FOR DELAY WAS COMMERCIAL, I.E., ABSENCE OF ASSURANCE OF ADEQUATE CONNECTING LIMITED OFFICIAL USE

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SERVICES.

4. GRIMAUD CONFESSED THAT FRENCH HAD PERHAPS AWAKENED A BIT BELATEDLY TO CONNECTING SERVICES PROBLEM AND HE WAS PREPARED ASSUME HIS SHARE OF BLAME FOR THIS. DELAY IN TRANSFER OF AIR FRANCE NORTH ATLANTIC SERVICE TO CDG HAD RESULTED WHEN AIR FRANCE APPEALED TO GOF LAST YEAR TO AUTHORIZE

PHASED TRANSFER OF ITS OPERATIONS IN VIEW OF
HEAVY FINANCIAL BURDEN IMPOSED WHEN AIR FRANCE WAS
ALREADY FACED WITH A NUMBER OF OTHER EXCEPTIONAL
EXPENDITURES, NOT THE LEAST OF WHICH, SAID GRIMAUD,
WAS THE FACT OF BEING "STUCK WITH" (SIC) CONCORDE
AND THE AIRBUS. WHEN GOF DECISION TO AUTHORIZE
DELAY IN TRANSFER TO CDG OF AIR FRANCE SERVICE
WAS COMMUNICATED TO OTHER CDG-BOUND INTERNATIONAL
CARRIERS, THEY HAD SEEMED NOT TO OBJECT.

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INR-10 NSAE-00 RSC-01 FAA-00 SS-20 NSC-10 L-03 H-03

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5. GRIMAUD ADMITTED FRANKLY THAT PERHAPS AIR
FRANCE HAD FOUND IT TO ITS INTEREST NOT TO PROPOSE
THE BEST POSSIBLE DOMESTIC CONNECTIONS AT CDG
FOR ITS INTERNATIONAL COMPETITORS OPERATING FROM
THAT AIRPORT. SGAC, AS WELL AS TRANSPORT
MINISTER HIMSELF, HOWEVER, HAD BROUGHT PRESSURE
TO BEAR ON AIR FRANCE, AS WELL AS ON AIR INTER,
TO PROVIDE BETTER SERVICE. THIS HAD CAUSED SPECIAL
PROBLEM FOR AIR INTER SINCE IT HAD NEVER BEEN
ENVISAGED THAT AIR INTER WOULD OPERATE MUCH TRAFFIC
FROM CDG. HOWEVER, GRIMAUD SAID--AND HE
REPEATED THIS LATER WHEN ESPEROU WAS PRESSENT--
THAT HE ATTACHED IMPORTANCE TO GOF KEEPING ITS
WORD WITH INTERNATIONAL CARRIERS BY PROVIDING
CONNECTING SERVICES THEY HAD EFFECTIVELY BEEN

PROMISED LAST AUGUST.

6. ESPEROU AND HIS ASSISTANT, WHO SEEM TO BE IN CHARGE OF CDG SCHEDULING AT STAFF LEVEL IN SGAC, PRODUCED CHARTS SHOWING LATEST PROPOSALS FOR CONNECTING SERVICES. THEY NOTED IMPOSSIBILITY OF PROVIDING CONNECTIONS THAT WOULD BE EQUALLY SATISFACTORY TO PANAM, TWA AND OTHER INTERNATIONAL CARRIERS. RCAA MENTIONED A FEW OF MORE OBVIOUS LIMITED OFFICIAL USE

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OBJECTIONS WHICH PANAM AND TWA HAD TO CONNECTIONS NOW OFFERED BUT SAID THAT HE DID NOT WISH TO BECOME EMBROILED IN DETAILS OF SCHEDULING EXERCISE. HE WONDERED WHETHER BEST COURSE MIGHT NOT BE FOR SGAC AND OTHERS CONCERNED ON FRENCH SIDE TO MEET WITH CARRIERS AND ATTEMPT TO WORK OUT WITH THEM ACCEPTABLE COMPROMISE FOR CONNECTING SERVICES WITHIN LIMITS OF WHAT FRENCH FELT THEY COULD PROVIDE IN RESPECTING THEIR EARLIER COMMITMENT TO INTERNATIONAL CARRIERS. NEITHER GRIMAUD NOR ESPEROU FELT THAT THIS WOULD BE FEASIBLE IN VIEW CONFLICTING INTERESTS OF ALL CARRIERS INVOLVED. RCAA NOTED FRUSTRATION OF PANAM AND TWA SINCE PLANS FOR CONNECTING SERVICES SEEMED TO BE CHANGING ALMOST DAILY AND WHAT INFO THEY RECEIVED WAS OFTEN CONTRADICTORY. HE NOTED, FOR EXAMPLE, THAT FREQUENCIES SHOWN FOR CERTAIN FLIGHTS ON CHART JUST PRODUCED BY SGAC WERE DIFFERENT THAN THOSE COMMUNICATED TO PANAM AND TWA BY PARIS AIRPORT AUTHORITY ON PREVIOUS DAY. ALSO, SGAC CHART SHOWED AIR FRANCE DAILY FLIGHT TO NICE DEPARTING CDG AT 8:30 AM AND ARRIVING FROM NICE AT 10AM EFFECTIVE MARCH 20, OF WHICH PANAM AND TWA WERE STILL COMPLETELY UNAWARE. SGAC REPS TOOK NOTE AND SAID THEY WOULD LOOK INTO SITUATION IMMEDIATELY.

7. RCAA UNDERTOOK TO COMMUNICATE SGAC CHARTS IMMEDIATELY TO PANAM AND TWA AND TO REPORT BACK THEIR DETAILED COMMENTS ON EACH OF THE CONNECTIONS PROPOSED AND THEIR VIEWS ON HOW INDIVIDUAL CONNECTIONS MIGHT BE IMPROVED. THIS WOULD AID SGAC IN RECONCILING REMAINING DIFFERENCES AND COMING UP WITH CONNECTING SERVICES THAT WERE MORE ACCEPTABLE TO CARRIERS. SGAC WILL ALSO TAKE ANOTHER LOOK AT WEEKEND CONNECTIONS FROM CDG. WHEN SGAC REPS CITED NEED FOR TRAFFIC DATA FROM US CARRIERS TO JUSTIFY WEEKEND CONNECTING SERVICES. RCAA SAID (A) US CARRIERS SAW NO NEED PROVIDE THIS DATA; (B) PARIS AIRPORT STATISTICS WERE AT HAND;

AND (C) DATA IMMATERIAL ANYWAY SINCE PRINCIPLE
OF MARKET ACCESS AND NOT VOLUME OF PRESENT TRAFFIC
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WAS THE ISSUE.

8. RCAA SAID THAT CRUX OF PROBLEM, OF COURSE,
REMAINED THE CONTINUED AIR FRANCE OPERATIONS FROM
ORLY AND THE US CARRIERS' FEAR OF COMMERCIAL
DISADVANTAGE AS A RESULT. HOWEVER, THE US CARRIERS
WERE REALISTIC ENOUGH TO RECOGNIZE THAT IN THE
INTERIM THE VOLUME OF CONNECTIONS BETWEEN CDG AND
THE FRENCH PROVINCES COULD NOT COMPARE WITH
THE SITUATION AT ORLY. HENCE, IT SEEMED TO BE IN
THE FRENCH INTEREST TO PROVIDE CDG CARRIERS WITH
THE MINIMUM OF CONNECTING SERVICES THEY REQUIRE
THAT WOULD SILENCE THEIR OBJECTIONS, FOR OTHERWISE
THE PROBLEM WOULD REMAIN AND COULD ESCALATE IN
IMPORTANCE.

9. GRIMAUD SAID PANAM INABILITY OPERATE FROM CDG
AS OF MARCH 13 WOULD POSE SERIOUS PROBLEM, SINCE
CDG CONNECTING SERVICES WERE BEING PROVIDED FOR
BENEFIT OF INTERNATIONAL CARRIERS INCLUDING PANAM
AS OF THAT DATE ASSUMING A GIVEN VOLUME OF
INTERNATIONAL TRAFFIC. RCAA SAID UNFORTUNATELY
PANAM HAD NO ALTERNATIVE BUT TO CONTINUE OPERATING
FROM ORLY SO LONG AS CONDITIONS WERE NOT MET
PERMITTING COMPLETION OF ITS MOVE TO CDG.
GRIMAUD SAID THAT CONTINUATION OF PANAM'S ORLY
SERVICE WOULD BE PERMITTED TEMPORARILY WHILE PANAM
WOULD BE ASKED IN STRONGEST TERMS TO CARRY OUT
MOVE TO CDG AT THE VERY EARLIEST OPPORTUNITY.
RCAA SAID THAT HE DID NOT KNOW WHETHER THERE WAS
MUCH FLEXIBILITY IN PANAM'S LEAD-TIME REQUIREMENTS,
BUT IF SGAC COULD ENDEAVOR RESOLVE
CONNECTING SERVICES PROBLEM PROMPTLY TO US CARRIERS' SATISFACTION
EMBASSY WAS PREPARED SEE WHAT IT COULD DO TO SPEED
UP PANAM MOVE THOUGH COULD MAKE NO ADVANCE
COMMITMENT IN THIS REGARD.
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